

SOUTH WEST WALES CORPORATE JOINT COMMITTEE

Economic Well Being and Regional Economic Development Sub-Committee

15th April 2024

Report of the Chief Executive

Report Title: Delivery Update - Shared Prosperity Fund (SPF)

Purpose of Report	To provide an update on the delivery of the Shared Prosperity Fund (SPF) to the Economic Well Being and Regional Economic Development Sub-Committee of the South West Wales Corporate Joint Committee (SWWCJC)
Recommendation(s)	For Information Only – Progress Update
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Introduction / Background:

1. In Wales, UK government supports delivery across the four regional strategic geographies on the economic development footprint. Local government has been given responsibility for developing a regional investment plan for approval by the UK government, and for delivery of the Fund thereafter. A 'lead local authority' for the region will receive the Region's allocation and have overall accountability for the funding and how the Fund operates. Swansea Council has been nominated to act as the lead Authority on behalf of the South West region.
2. The Shared Prosperity Fund (SPF) is one of the 'levelling up funds' alongside the capital Levelling Up Fund and Community Ownership Funds which operate on an annual competitive bidding basis. These funds represent a partial replacement of previous EU funding programmes, and are considerably smaller in scale. Previous Innovation & R&D funds have not been replaced through SPF for example.
3. In order to access their allocation, lead local authorities were asked to complete a Regional Investment Plan, setting out how the SPF funding would be used at a very high level. The investment plan was submitted to UK government in August 2022 and approved 5 December 2022.

4. Due to the short timescales involved, each local authority prepared a local investment plan which has fed into the wider Regional Investment Plan for South West Wales. The Investment Plan for Swansea was drafted in consultation with local regeneration boards in each local authority area, with reference to the Regional Learning & Skills Partnership as appropriate.
5. The Investment Plan is based on existing regional and local strategies and plans including the Economic Recovery Action Plans and the *South West Wales Regional Economic Delivery*. From positive feedback received from civil servants prior to submission a smooth run through the appraisal process is anticipated. Approval was received 5 December 2022.
6. The programme presents an exciting opportunity to design and deliver local interventions with regional consistency, and to pool and commission activity across places where this makes sense and adds value for the people and communities receiving support.
7. The region consists of four partner local authorities with well over a decade of constructive and positive collaborative working, with individual local allocations. The understanding is that the allocations are fundamentally local allocations with a regional oversight to share good practice, consistency and good programme management, whilst allowing each local area the flexibility to adapt programmes to meet the subtle differences in local need, as well as addressing a large number of challenges and opportunities held in common.

Implementation:

8. South West region has structured implementation of the programme to ensure that funding is directed to projects that make sense to people and businesses, with the focus on delivery and delayering of bureaucracy as far as possible. Funding arrangements have been designed to ensure they follow the constitutional arrangements for organisations in receipt of funding and factor potential impact of administrative burden created by complex legal and financial arrangements and aim to keep these to the minimum required to ensure effective delivery and added value. Partner local authorities in particular have the freedom to adapt the regional 'menu' sitting under the Regional Economic Delivery Plan to adapt to specific local needs.
9. Whilst there is a need to accommodate transition from existing programmes to an extent, exit strategy remains a key question for any activity of any scale by any organisation, and organisations will be expected to articulate this point carefully in applications - the programme activity should be about enabling and supporting sustainable activities, not creating long-term dependencies. Programme transition is inevitably challenging, but investments are broadly being made into businesses and communities to support their medium to longer term resilience.

10. The region is using 4% of the funds between Swansea as lead authority working closely with small teams in each individual local authority to ensure seamless delivery of the programme. A collaborative approach has worked well between the partner authorities over a number of years on a range of programmes including most recently the Welsh Government Transforming Towns programme which follows the same basic model as proposed here.

Delivery is taking place via the following methods:

Anchor projects: These are major projects run primarily in-house that will deliver major parts of the investment strategy and Regional Economic Delivery Plan (REDP). They will focus on specific DLUHC themes (Communities and Place, Supporting Local Business, People and Skills including or excluding Multiply), they may also tackle themes that run across the DLUHC themes (e.g. poverty), or a mixture of the two. The menu of activity is consistent across the region but adapted according to local need and scale of funding available.

Grant schemes: These are thematic and integrated into the anchor projects, providing:

- a. Grants to voluntary and community groups
- b. Grants to businesses

Standalone projects: These have been invited by competitive bidding rounds to fill clear gaps in strategy delivery that are not being met anchor projects or grant schemes within them.

11. Constructive dialogue has taken place with Welsh Government (WG) officials across a range of departments to ensure that SPF activity is designed to complement WG provision, and pick up areas that are not funded. This is particularly important in areas such as grant support for small businesses and community organisations to ensure seamless provision. Anchor teams are part of this design to ensure a central point of contact in each local authority area, and these anchor teams meet on a regional basis to ensure consistency of approach.

12. Since the September 2023 reporting window, the four South West partner authorities have continued delivery of a series of strategically-aligned anchor projects incorporating in house activity and thematic grant schemes targeting private and third sector bodies. Open call projects have been progressing with the partner authorities and noting that Pembrokeshire progressed with a second-round open call in the period. There remains a consistency of approach while each local authority is tailoring implementation in line with local need. Short approval chains have continued to ensure that funding flows to providers swiftly.

13. Comprehensive recording and monitoring systems developed are functioning well and the lighter touch methodology approach continues in line with DLUHC requirements. The December 2023 period has seen projects adapting to this approach with the quality of claims improving. Sufficient due diligence is carried out to ensure proper controls remains in place.
14. All committed funds will be spent and mechanisms exist to ensure that underspends are quickly recycled to high demand elements of the programme, in line with our Regional Economic Delivery Plan. All delivery is based on well-known economic regeneration pressures with strong strategic alignment.
15. With the focus firmly on delivery given the limited time remaining - discussions regarding delivery extensions have been held with UK Government colleagues however no decision on this is likely until April – the importance of a timely decision here has been expressed, there is no guarantee at present that delivery will be allowed to progress beyond December 2024 and for programme closure by March 2025.
16. Project performance will continue to be closely monitored and where reprofiling or reallocation is required the programme flexibility will ensure that funds are allocated appropriately.
17. It remains unlikely that any further new projects will be adopted at this stage. However, anchor projects contain a wide range of thematic grant schemes, and the four authorities are very much welcoming the flexibility to ensure that funds are allocated to areas of pressure.
18. The initial split of funding remains broadly effective, but flexibility means that where necessary funds can easily be moved to accommodate additional demand. The focus remains very much on delivery of all approved activities given the relatively short delivery window remaining to December 2024,
19. Positive press and communications regarding SPF activity has been commonplace over the quarter. It is envisaged that there will be increased emphasis on opportunities for joint press on larger schemes due to the lead in period to the general election and we have communicated to local UK Gov reps that good examples exist.

Timescales:

20. Delivery for approved projects up to December 2024

Financial Impacts:

21. Full output and financial monitoring information is being collated for the region currently and an executive summary of progress to date will be available before the end of April 2024.

Integrated Impact Assessment:

22. The CJC is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

In recognition of the above duties, the CJC has adopted an Integrated Impact Assessment (IIA) Tool which allows for a 2 stage approach to be undertaken to measure any potential impact of its decisions.

The CJC approved its Corporate Plan 2023-2028 in March 2023. The Corporate Plan includes the CJC's Equality Objective which is set out below for ease of reference:

“To deliver a more equal South West Wales by 2035 by contributing towards:

- (a) *The achievement of the [Welsh Government's long-term equality aim](#) of eliminating inequality caused by poverty;*
- (b) *The achievement of the [Equality statement set out in Llwybr Newydd](#) which is to make our transport services and infrastructure accessible and inclusive by aiming to remove the physical, attitudinal, environmental, systemic, linguistic and economic barriers that prevent people from using sustainable transport,*

and

- (c) [The achievement of the Welsh Government's long-term equality aims](#) of *cohesive communities that are resilient, fair and equal and where everyone is able to participate in political, public and everyday life. There will be no room for racism and / or discrimination of any kind.*"

Well-being of Future Generations (Wales) Act 2015

Alignment with CJC Corporate Plan 2023-2028 and the identified CJC Well-being objectives:

23. The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.
24. The CJC approved its Corporate Plan 2023-2028 in March 2023. The Corporate Plan contains the CJC's well-being objectives and frames the corporate direction of travel. To this end, it is considered that the recommendation(s) contained within this report align(s) to the corporate policy framework of the CJC as set out within its Corporate Plan,

Well-being Objective 1

"To collaboratively deliver the Regional Economic Delivery Plan and Regional Energy Strategy thereby improving the decarbonised economic well-being of South West Wales for our future generations."

Well-Being Objective 2

"To produce a Regional Transport Plan for South West Wales that is founded on collaboration and enables the delivery of a transport system which is good for our current and future generations of people and communities, good for our environment and good for our economy and places (rural and urban)."

Well-Being Objective 3

"To produce a sound, deliverable, co-ordinated and locally distinctive Strategic Development Plan for South West Wales which is founded on stakeholder engagement and collaboration and which clearly sets out the scale and location of future growth for our future generations."

Workforce Impacts:

25. There are no workforce impacts associated with this report

Legal Impacts:

26. There are no legal impacts associated with this report as for information only.

Risk Management Impacts:

27. No impacts

Consultation:

28. No requirement as this report is for information only.

Reasons for Proposed Decision:

29. No requirement as this report is for information only.

Implementation of Decision:

30. No requirement as this report is for information only.

Appendices:

31. None

List of Background Papers:

32. None